

SENATE BILL 1936

By Tate

AN ACT to amend Tennessee Code Annotated, Title 55
and Title 56, relative to the financial responsibility
of persons registering motor vehicles.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known and may be cited as the "Mandatory Motor Vehicle Insurance Act of 2007".

SECTION 2. Tennessee Code Annotated, Title 55, Chapter 4, is amended by adding the following language as a new, appropriately designated section:

§ 55-4-136.

(a) It is the public policy of this state that a vehicle shall not be registered or driven on roads or highways within Tennessee unless the vehicle and its owner comply with the requirements of this act and the Financial Responsibility Law of 1977, title 55, chapter 12, part 1.

(b) No registration or renewal of registration of a motor vehicle shall be issued by the commissioner of safety unless the application for registration or renewal is accompanied by satisfactory proof that the vehicle and its owner meet the requirements of this act and the Tennessee Financial Responsibility Law of 1977, title 55, chapter 12, part 1, for the registration or renewal period. Every registration or renewal of registration shall be accompanied by the following notice:

THIS REGISTRATION AUTOMATICALLY TERMINATES UPON THE FAILURE
TO MAINTAIN SATISFACTORY PROOF THAT THIS VEHICLE AND ITS
OWNER MEET THE REQUIREMENTS OF THE TENNESSEE FINANCIAL
RESPONSIBILITY LAW AS REQUIRED BY THE MANDATORY MOTOR
VEHICLE INSURANCE ACT OF 2007.

(c) Submission of the following constitutes satisfactory proof that a vehicle and its owner meet the requirements of the financial responsibility law as required by subsection (b):

(1) A certificate valid for one (1) year, on forms provided by the commissioner, issued by an insurance company authorized to do business in Tennessee stating that a policy of insurance meeting or exceeding the requirements of the Tennessee Financial Responsibility Law of 1977 has been issued for the motor vehicle and will be in force throughout the period of registration or renewal; or

(2) A certificate valid for one (1) year issued by the commissioner of safety stating that a cash deposit or bond equally or exceeding the amount required by the Financial Responsibility Law of 1977 has been paid or filed with the commissioner's office for the period of registration or renewal.

(d) If a policy of insurance used as the basis of a certificate submitted pursuant to subdivision (c)(1) is cancelled or terminated prior to its scheduled expiration and if no replacement policy is issued by the insurer, then the insurer shall immediately notify the commissioner of safety and the insured that the certificate is revoked and that, to the extent of the insurer's knowledge, the vehicle no longer meets the requirements of the financial responsibility law and that the vehicle's registration will automatically terminate unless such requirements are met within fifteen (15) calendar days.

(e) If a cash deposit or bond used as a basis for a certificate submitted pursuant to subdivision (c)(2) is withdrawn prior to its scheduled expiration, then the commissioner of safety shall revoke the certificate and shall immediately notify the registrant that, to the extent of the commissioner's knowledge, the vehicle no longer meets the requirements of the financial responsibility law and that the vehicle's registration will

automatically terminate unless such requirements are met within fifteen (15) calendar days.

(f) Notwithstanding any provision of law to the contrary, the registration of any motor vehicle shall automatically terminate fifteen (15) calendar days from the date the commissioner receives notice pursuant to subsection (d) or provides notice pursuant to subsection (e), unless the owner of the vehicle submits satisfactory proof in accordance with subsection (c).

(g) Upon receipt of the notice pursuant to subsection (d), the commissioner shall immediately notify the registrant that the registration of such vehicle automatically terminates within fifteen (15) calendar days unless the registrant submits satisfactory proof in accordance with subsection (c).

(h) The registration reinstatement fee shall be one hundred dollars (\$100) for the first termination of a vehicle's registration, and the owner shall be required to provide satisfactory proof of financial responsibility. For each subsequent registration reinstatement of a vehicle for the owner, the fee shall be two hundred dollars (\$200) after a four-month suspension of registration and upon presentation by the owner of satisfactory proof of financial responsibility.

SECTION 3. Tennessee Code Annotated, Section 55-12-139(b)(1), is amended by deleting the words and punctuation "has been issued;" and by substituting instead the following:

has been issued and will be in force throughout the period of registration or renewal of the motor vehicle;

SECTION 4. Tennessee Code Annotated, Section 55-12-139, is amended by deleting subsections (c) through (e), inclusive, and by substituting instead the following:

(c) Any person, who operates a motor vehicle in noncompliance with the financial responsibility requirements of the Tennessee Financial Responsibility Law of 1977 or §

55-4-136, or who fails or refuses to comply with a request by a law enforcement officer for display documentation of such compliance, commits a Class C misdemeanor punishable by a fine not in excess of two hundred fifty (\$250) for the first offense and, for each subsequent offense, by a fine not in excess of five hundred dollars (\$500) or loss of driver's license for a period not exceeding six (6) months, or both fine and suspension.

(d) A person commits a Class C felony who, with fraudulent intent:

(1) Alters, forges or counterfeits an insurance card to make it appear valid; or

(2) Makes, sells or otherwise makes available an invalid or counterfeit insurance card, or other evidence of insurance.

(e) Sanctions imposed pursuant to subsection (c) shall be in addition to any other fines imposed by this title for any other violation under such title.

SECTION 5. This act shall take effect July 1, 2007, the public welfare requiring it.